IN THE UNITED STATES BANKRUPTCY COURT FOR
THE DISTRICT OF PUERTO RICO

IN RE:

OBRATUR PUERTO RICO CORP

Debtor(s)

WILFREDO SEGARRA MIRANDA, TRUSTEE

Plaintiff(s)

MARTINEZ ALVAREZ, MENENDEZ CORTADA & LEFRANC ROMERO, PSC; ET ALS

Defendant(s)

CASE NO. 14-01663 MCF

Chapter 7

ADVERSARY CASE NO. 15-00095

FILED & ENTERED

OCT 14 2015

CLERK
U.S. BANKRUPTCY COURT
SAN JUAN, PUERTO RICO

J U D G M E N T

Upon the order entered by the Honorable Mildred Cabán Flores on July 24, 2015 approving the settlement agreement/stipulation (docket #24) filed between the Plaintiff and the Defendant (docket #27) and there being no opposition, it is now

ADJUDGED and DECREED that judgment be and is hereby entered according to the Stipulation filed with this Court on June 23, 2015 between the Plaintiff and the Defendant (docket #24) which hereby becomes an integral part of this judgment as if set forth in extenso.

IT SO ORDERED.

San Juan, Puerto Rico, this 13th. day of October, 2015.

María de los A. González

MARÍA DE LOS ÁNGELES GONZÁLEZ, ESQ.
CLERK OF THE COURT

IN THE UNITED STATES BANKRUPTCY COURT FOR
THE DISTRICT OF PUERTO RICO

IN RE: **OBRATUR PUERTO RICO CORP.** **DEBTOR(S)**	**CASE NO.14-01663 MCF** **CHAPTER 7** **VOLUNTARY** **NO ASSET CASE**
WILFREDO SEGARRA MIRANDA, TRUSTEE FOR THE ESTATE OF OBRATUR PUERTO RICO CORP. **PLAINTIFF** **vs.** **MARTINEZ-ALVAREZ, MENENDEZ CORTADA, LEFRANC ROMERO PSC, JANE DOE, JOHN DOE, BOB DOE, CORPORATION X, CORPORATION Y, AND ABC INSURANCE COMPANY** **DEFENDANTS**	**ADV. NO. 15-00095** **ACTION FOR AVOIDANCE OF PREFERENTIAL TRANSFER**

JOINT MOTION REQUESTING APPROVAL OF SETTLEMENT AGREEMENT WITH NOTICE AND OPPORTUNITY FOR A HEARING

TO THE HONORABLE COURT, CREDITORS AND PARTIES IN INTEREST:

COME NOW, Wilfredo Segarra Miranda, Esq. as Chapter 7 Trustee for the Estate of Obratur Puerto Rico Corp., and Martinez-Alvarez, Menendez Cortada, Lefranc Romero PSC, each represented by their respective undersigned attorneys, who respectfully STATE and REQUEST as follows:

PROCEDURAL BACKGROUND

1. On March 3, 2014, the above captioned debtor filed a voluntary petition under Chapter 7 of the Bankruptcy Code. On March 4, 2014, Wilfredo Segarra Miranda, Esq. was appointed trustee.

2. The first meeting of creditors was conducted by the Chapter 7 trustee on April 1, 2014. The trustee identified what appeared to be a preferential transfer to Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC the sum of $39,183.10 within 90 days of filing for bankruptcy protection.

3. On June 30, 2014, the trustee engaged the services of Olivieri-Geigel & Co. law firm, to assist him with these legal issues (Docket 16). The application was later approved by this Honorable

Court (Docket 23).

4. On April 7, 2015, an adversary proceeding to avoid and collect the alleged preferential transfer pursuant to FRBP 7001 and 11 U.S.C. §547 was filed.

5. The parties met, evaluated each other's position and have reached an agreement to settle their dispute.

6. The appearing parties wish to resolve and settle completely all matters, whether known or unknown, that in any way may be related, directly or indirectly, to the present controversy, any situation or dispute that may have risen, and/or the potential property of this estate.

7. The appearing parties have agreed to enter into this Settlement Agreement in order to put to rest any claims raised or that could be raised against the appearing parties in the future before any administrative, state or federal proceeding directly or indirectly related to the alleged preferential transfer.

8. Therefore, in consideration of the mutual promises and covenants, hereinafter set forth, it is understood and agreed by the appearing parties as follows:

SETTLEMENT AGREEMENT

9. For this settlement agreement to be binding for the parties this settlement agreement is subject to Notice and Order to be entered by the Honorable Court.

10. As a result of the appearing parties' exchange of communications, and in order to avoid further costs and expenses, trustee and defendant Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC, subject to the provisions of Federal Rules of Bankruptcy Procedure 2002 and 9019(a), have agreed to settle their dispute upon the following terms and conditions:

TERMS AND CONDITIONS

11. Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC will pay the herein estate the amount of fifteen thousand dollars [$15,000] (the "settlement payment").

12. Defendant Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC agrees not to file any monetary claim against this bankruptcy estate.

13. Defendant Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC has deposited the amount of five thousand dollars [$5,000] with the trustee at the date of subscribing this agreement. A second payment of the balance of five thousand dollars [$5,000] will be made within the next 15 days following Court approval of this agreement. A third and last payment of the balance of five thousand dollars [$5,000] will be made within the next 45 days following Cout approval of this agreement. The settlement payment is agreed with the intent to settle all of the plaintiff's claims related to the preferential transfer; upon entry of order approving this settlement.

14. The complete Settlement Payment of $15,000 by defendant Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC to the trustee will fully satisfy their obligation to the bankruptcy estate and end this adversary proceeding, pursuant to this Settlement Agreement and upon approval by this Honorable Court.

15. Plaintiff trustee has performed a thorough analysis of Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC's financial situation reviewing documents obtained during the initial discovery phase of the adversary complaint.

16. After careful review of the current financial situation of Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC, discovery revealed that this is the best possible and timely collection for the money owed. The trustee has considered the distant and unsure possibility of collection, the financial situation of defendant Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC, and the overall economic conditions in Puerto Rico. The trustee, using his best business judgment, purports that it is in the best interest of the estate, to accept the offer tendered by the defendant and not to engage in further litigation.

17. In consideration of the Settlement Payment and all mutual considerations entered into in this Settlement Agreement, the appearing parties voluntarily release and forever discharge each other, from any liability, claim, complaint and demand of whatever kind or nature, either at law or in

equity, arising or related to their dispute.

18. The parties agree that the purpose of the Settlement Agreement is to finalize all economic disputes that existed among them, and that it in no manner constitutes an admission of liability or responsibility on the part of Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC beyond the Settlement Payment.

19. The parties agree that any dispute arising out of a breach of this Agreement shall be subject to the jurisdiction of the United States Bankruptcy Court for the District of Puerto Rico. The prevailing party in any such action shall be entitled to be reimbursed by the losing party for all costs and expenses incurred as a result thereof, including, but not limited to, reasonable attorneys' fees.

20. The parties shall bear their own costs and attorneys' fees incurred in connection with the dispute between them and this Agreement.

21. The parties respectively represent and certify that they secured independent legal advice and consultation in connection with this Agreement and any rights they may be relinquishing hereby, and that they have not relied upon any representations or statements made by any other party or by any other party's counsel or representatives in executing this Agreement, other than as stated herein expressly.

22. Each signatory to this Agreement expressly warrants to the other parties that he, she or it has the authority to execute this Agreement on behalf of the party or parties to be bound by his, her or its signature, and on behalf of each and every principal or other owner of a legal, equitable or beneficial interest in such party or parties.

23. This Agreement constitutes the entire agreement between the parties and is entered into by the parties without reliance upon any statement, representation, promise, inducement or agreement not expressly contained herein. It is expressly understood and agreed that this Agreement may not be altered, amended, or otherwise modified in any respect except by a writing duly executed by all of the parties.

24. The terms of this Agreement shall bind the parties as well as their respective heirs, trustees,

agents, beneficiaries, executors, administrators, predecessors, successors and assigns.

25. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement, or the application thereof to any person or circumstances, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to the unaffected persons or circumstances, shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

26. The parties submit that the Settlement Agreement is in the best interest of the bankruptcy estate since it will put an end to their dispute. In re Mailman Steam Carpet Cleaning Corp. 212F.3d.632 (1st Cir.), cert denied, 531 U.S.960 (2000). Furthermore, in the business judgment of the trustee, the Settlement Agreement is fair and reasonable and will assist the Chapter 7 Trustee in the liquidation of Obratur Puerto Rico Corp. bankruptcy estate. In re Martin, 91F.3d.389 (3d.Cir.1996). Accord In Re Heathrow Int'l. Inc., 136 F.3d.45 (1st Cir.1988).

AGREEMENT

27. This Settlement Agreement represents the total agreement between the parties and any statement, promise or representation given by any of the parties which is not included herein shall be null and void.

EFFECTIVENESS

28. This Settlement Agreement shall become effective immediately following execution by each of the parties and this Honorable Court's approval.

29. Such is the agreement entered by the undersigned parties, whose approval by the Honorable Bankruptcy Court is respectfully requested.

WHEREFORE, the parties to this settlement agreement pray this Honorable Court to be informed of the terms of this stipulation and, to enter Order approving this Settlement Agreement and to provide any further relief as may be deemed appropriate.

NOTICE TO ALL PARTIES: Within twenty one (21) days after service as evidence by the certification below and an additional three (3) days pursuant to Fed.R.Bankr.P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or the appropriate response to this motion with the Clerk's Office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the motion will be unopposed and may be granted unless: (1) the requested relief is forbidden by law; (2) the requested relief us against public policy; or (3) in the opinion of the Court, the interest of justice requires otherwise. Should a timely objection be filed, a hearing on such objection will be scheduled by the Court.

I HEREBY CERTIFY: That on this same date, I electronically filed the foregoing Joint Motion Requesting Approval of Settlement Agreement with Notice and opportunity for a Hearing with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the parties appearing in said system.

I FURTHER CERTIFY: That on this same date copy of this motion has been served by First Class Mail to: **United States Trustee's Office** at Ochoa Building, Suite 301, 500 Tanca Street, Old San Juan, Puerto Rico 00901-1922.

I FURTHER CERTIFY: That on this same date copy of this notice has been served by Regular Mail to all creditors and parties in interest as detailed in the enclosed master address list.

In testimony of which the undersigned execute this Settlement Agreement in San Juan, Puerto Rico, this 22 day of June of 2015.

I, Jose R. Quiñones Coll as President and in representation of Martinez-Alvarez, Menendez Cortada, Lefranc Romero, PSC certify under penalty of perjury pursuant to the provisions of 28 U.S.C. § 1746, that I fully understand the foregoing Joint Motion Requesting Approval of Settlement Agreement, and to the best of my knowledge and available information, that the facts alleged and averred are true and correct.

Jose R. Quiñones Coll

RESPECTFULLY SUBMITTED
In San Juan, Puerto Rico, this 22 day of June of 2015.

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Case 14-01663-MCF7
District of Puerto Rico
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